

## DISPATCH

SECRET

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCE METHODS EXEMPTION 3828  
NAZI WAR CRIMES DISCLOSURE ACT

TO Chief of Station, Austria  
INFO Chief, EE

KAPOK

FROM Chief of Base, Salzburg

DATE 2007  
10 May 1961

SUBJECT GRCROVI/Operational  
Progress Report - Salzburg Operations Base

RE: "43-3" - (CHECK "X" ONE)

XX MARKED FOR INDEXING  
NO INDEXING REQUIRED

ACTION REQUIRED General comments desired; investigate activities of  
Identity II and 12.

INDEXING CAN BE JUDGED  
BY QUALIFIED HQ. DESK ONLY

EAVA-27084, 7 April 1961

1. Synopsis: This dispatch is a summing up of the development of the new Salzburg Base since its inception in August 1958. A brief history is followed by a description of the Base's present and prospective operational assets. The report ends with a survey of present needs and recommendations for the future.

2. History of Base: A KUBARK Base was originally established under military cover in Salzburg shortly after World War II (ca. 1947) which closed upon the signing of the State Treaty in 1955 in view of the withdrawal of all military forces from Austria in that year. The GRCROOND assets, which had been established by this initial effort, were maintained by two officers operating from Munich under the supervision of Chief of Station, Austria, and known as the Austrian Rear Base (ARB). For a variety of reasons, the administration of ARB proved difficult, and it was therefore decided in the spring of 1958 to reopen Salzburg Operations Base (SOB). The idea was to establish an interim KUBARK slot in GRISKIN for an officer for whom an assignment behind the Iron Curtain had been planned. The slot would permit him to spend most of his time "building cover" by engaging in ODACID political and economic reporting. In addition, without engaging in operations himself, he would supervise the move of ARB from Munich to Berchtesgaden where the two officers engaged in GRCROOND activity would open an office under CHIRIK cover. During an initial period of review and reorganization, the officer in GRISKIN would furnish quick and easy communications between the new SOB and Chief of Station, Austria. Thereafter, this officer would move on to his new post and SOB would remain only in Berchtesgaden, responsible for GRCROOND as previously in Munich. The GRISKIN and Berchtesgaden moves were carried out in August and September of 1958, respectively. GRCROOND was in good shape by the spring of 1959.

As planned, the slot in GRISKIN was used only for "cooling-off" and no operational activity was engaged in. However, informal contacts for the ODACID reporting function were built up and later provided a useful base on which various changes in plan were based.

The first major change in the above picture occurred in the fall of 1959 when we were ordered by Headquarters to cut back our GRCROOND assets in dispatch EAVA-13423 dated 10 September 1959. This reduced the GRCROOND work to a point where it could be handled by one officer, once the planned cuts had been carried out. Until the end of 1959, therefore, we planned to move SOB personnel assets to Vienna in the spring or summer of 1960, simultaneously terminating the slot in GRISKIN.

This decision was reversed in April of 1960 by Chief of Station, Austria, for the following reasons:

- He wished primarily to provide a means of curbing undesirable activity on the part of U. S. military intelligence offices operating in Western Austria from bases in West Germany, primarily in the field of official liaison.
- SOB could at the same time handle some of the details of PERAMPART activities in Western Austria on his behalf.
- There was GRCROOND interest in reporting on the South Tirol, and, finally;
- there was the prospect of responsibility for a new Soviet installation in Salzburg. Some operational activity was to be undertaken to provide KUBARK with equity vis-a-vis the agencies in Germany.

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1.

In August 1960, SOB responsibilities were somewhat increased to reflect the concept of spreading KUBARK facilities and assets geographically. By this time we had begun to engage in operational activity other than GRCROED, entered into official liaison, and had taken over some of the Station's PERANPART responsibilities. The intention of creating and sustaining a permanent operations base in this area with responsibility for all KUBARK operations in Western Austria was expressed in a new Charter forwarded in RAVI-27084 dated 7 April 1961. It is planned to maintain the present complement of three officers and an administrative/intelligence assistant; one of the officers to fill a slot in GRCROED, the others to be located across the border in West Germany.

3. Present Activity: SOB's present operational activity is described below following the format of the new Charter mentioned above which should be read in conjunction with this paragraph. Describing our assets in this manner permits a quick review of those areas which have not yet been covered and where further or new efforts would be desirable. RAVI-27084 dated 7 April 1961:

Priority I Activity -

a) GRCROED - The Charter paper under which GRCROED is currently working is RAVI-13435, 10 September 1959. Briefly stated, this paper requires that we recruit and maintain active assets in two Unconventional Warfare Areas, these areas to be classified as Category IC Areas. In four other Category II Areas, we are to maintain the potential of developing assets should the need arise. In line with the above, it has been decided to complete the training of all agents and put them on demotivated status; i. e., to be recontacted once a year for re-assessment and refresher training. Following is an area breakdown of our assets and work remainings:

Category IC Areas

1) Area V - GRCRPAIR-7 is the semi-trained Principal Agent of this area. His radio operator, GRCRPAIR-17, should be fully trained by mid-1962. After he finishes training, we plan to cache his equipment and see him once a year for refresher training.

2) Area VIII - GRICE, a combination Principal Agent and trained radio operator, is our only asset for this area. He is currently trying to spot a person to become a radio operator under him. This is the only instance in which we need additional personnel to fulfill our requirements. When recruited, this man will have to be trained and supplied with equipment. Until such time GRICE will act as a Singleton Agent to cover this area; he has two radio caches already emplaced.

Category II Areas

1) Area II - This area is covered by GRCRPAIR-1, a Singleton Radio Operator who is fully trained and equipped. As contingency assets in this area, we have GRLAUNCH-1, a fully trained Principal Agent; GRLAUNCH-2, a fully trained and equipped radio operator; GRLAUNCH-4/9, a fully trained and equipped radio operator; and GRLAUNCH-31, a fully trained but unequipped radio operator. This summer we plan to give GRCRPAIR-1 and GRLAUNCH-31 refresher training and to cache two radio sets for GRLAUNCH-31. We will see GRCRPAIR-1 and GRLAUNCH-31 once a year for refresher training; the GRLAUNCH-2s will be seen only in case of emergency.

2) Area IV - GRCRPAIR-6 is the semi-trained Principal Agent of this area. In case of war he will be placed in contact with GRVINEY-4, a fully trained and equipped radio operator. As a contingency asset we have GRCRPAIR-1, a fully trained and equipped radio operator currently living in Vienna - he has instructions to come to this area in case of war and wait for further instructions. Other personnel in the area are GRCRPAIR-18, a basic trainee in radio operator work and GRCRPAIR-4 (now GRCROED) who was originally a GRCROED spotter but is now being diverted into KUTUNE activity where he shows much promise.

3) Area VI - GRCRPAIR-9

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<p style="text-align: center;"><b>KAPOK</b></p> <p>3) <u>Area VI</u> - <u>GRUPA-9</u> is the fully trained Principal Agent of this area. His radio operator will be <u>GRUPA-15</u>, a semi-trained and unequipped radio operator who should be finished by the end of 1961. These two will be brought into contact with each other in the event of war to act as the Nucleus of this area.</p> <p>4) <u>Area VII</u> - We do not have nor do we plan to get any assets for this area.</p> <p>Stated very succinctly and briefly, we foresee the following tasks yet to be done in connection with <u>GRUPA-9</u>:</p> <ul style="list-style-type: none"> <li>(a) With Headquarters concurrence spot, recruit and train a man with P/A qualifications as an executive officer for <u>GRUPA-1</u> in Area VIII.</li> <li>(b) Complete training and cache equipment for three semi-trained radio operators.</li> <li>(c) Maintain yearly contact for refresher training with three fully trained radio operators, plus intermittent contact as necessary with three Principal Agents.</li> </ul> <p>b) <u>East Bloc Targets</u></p> <p>1) <u>DITAG Installations</u></p> <p>At the moment, our unilateral assets against this target are meager. We have one recruited agent located next door to this installation to the South (<u>Identity 1</u>), and one agent prospect next door to the north (<u>Identity 2</u>). In addition, we are maintaining informal contact with <u>DISHFIELD</u>, whose recruitment as an agent fell through, but who may yet prove to be useful if properly handled. As the neighbor and landlord of the only two DITAG officials living apart from their offices, he is in an excellent position to help us.</p> <p>In our capacity as an officer of <u>GRISKIN</u>, we have been able to maintain social contacts over a period of time with the two principal DITAG officers, which has resulted in some background information. (See EASA-5324 dated 16 May 1960 and EASA-27550 dated 14 April 1961.)</p> <p>We have informal contacts with Austrians close to one or other of the DITAG officers who need to be developed before use, such as <u>Identity 3</u> and <u>Identity 4</u>. We are in a position to undertake some press harassment against the DITAG's (see EASA-1487 dated 1 December 1960) and Headquarters has brought up the possibility of mail harassment (see EASA-1500 dated 23 March 1961).</p> <p>Our attempts to infiltrate legitimate businessmen into the DITAG circle here with <u>Identity 5</u> and <u>Identity 6</u>, both of whom having been in contact with them, have proved unavailing. It is highly unlikely that DITAG legitimate business is of an order which would permit approaches of this sort to be successful. Also, our attempts to date to establish the identity of trustworthy leaders in the DITAG community here either via Munich or Vienna have not been rewarding.</p> <p>Official liaison with the local service has not been particularly helpful with respect to the DITAG's. Much more useful has been the photographic coverage provided by <u>EDPAL</u> with accompanying identification of local DITAG contacts. It is unlikely that without steady and effective surveillance, we will be able to mount an effective effort against this target.</p> <p style="text-align: right;">2) <u>GRIMLEY</u>: Our principal</p> <p style="text-align: center;"><b>KAPOK</b></p>		
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<div style="text-align: center; margin-bottom: 20px;"><b>KAPOK</b></div> <p>2) <u>GRIMLEY</u>:</p> <p>Our principal asset with respect to GRIMLEY is at present the audio installation described in HONI-54081 dated 22 March 1961 (RIBAT) and FRAN 9862 dated 19 March 1961 (RIBAT). As the installation has not yet opened for business, it is a little early to predict the possible take from this operation. (We shall be in a better position to comment on this some time in late May or June 1961.)</p> <p>It should be noted that the DITAG installation and GRIMLEY are only slightly more than 200 meters apart and that assets used for one may be applied to the other. Thus in addition to those individuals close to the DITAG installation above, we have three other prospects for a Listening Post/ Observation Post. These cannot be evaluated or developed until we have been briefed by METOPAS on the requirements for such a post.</p> <p>We have a second possibility for mounting LAUNCHER operations through <u>Identity 7</u>. If this proves successful, he may also be used at a later date against the DITAG target.</p> <p>Local liaison is apparently somewhat more willing to provide us with material against this target than has been the case with the DITAG office. As in the case of the DITAG installation above, we are working on GRIMLEY with both OOPAL and CASOC. It is too early to establish the value of our informal contacts with respect to GRIMLEY.</p> <p>3) <u>REDSKIN</u> and other items relating to the East Bloc: We have three present prospects in the REDSKIN field: GRIMACE who has spotted two likely candidates for this season and who himself promises to be very useful over the long haul. (See RASA-5448 dated 24 April 1961 and RASA-5136 dated 28 April 1961.) <u>Identity 8</u> for whom we now have a POA and who may travel himself as well as spot other possibilities (See RASA-2731h, 2 March 1961.) <u>Identity 9</u> who plans to travel this year and for whom we have enough information to obtain a POA (See RASA-5136 dated 10 April 1961.).</p> <p>General coverage of East Bloc Trade activity is provided to some extent by <u>Identity 10</u> who in view of his VORST contacts should perhaps be put on a more formal basis.</p> <p>Special coverage in the East Bloc ball-bearing field is provided by GRIMPRINT.</p> <p>c) <u>Liaison</u></p> <p>1) <u>Official</u></p> <p>At the moment, we have official liaison contact only with the GRENHOLF organization and, for KUBARK operational interests, deal only with GRENHOLF-30 and -31. These contacts have been maintained on a steady basis for one year and on the whole have not proven too valuable. There has, however, been a recent turn for the better which may be owing to one or all of the following: recent changes in GRENHOLF personnel; the advent of the Soviets; increased pressure for results from Vietnam; possible displeasure with the known OOPAL contacts in the GRENHOLF office. In any case, we should maintain this liaison for supporting GRACID here and for aid in supporting PHANPART activity, at least for the time being. They have just started to give us written material and to discuss joint use of assets.</p> <div style="text-align: center; margin-top: 20px;"><b>KAPOK</b></div>		
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2) Unofficial

As might be expected in Austria, we have been far more successful in obtaining the fruits of official liaison through three covert unilateral, re-recruited agents who can supply us with most of our support needs: GEFRAIL-1 and -2 in the Linz area, GREFFIER-1 in the Salzburg area, and GREENSHANE-6 (formerly GULEND-1) in the Innsbruck area.

3) FERANPART

During the past year we have conferred regularly with first ODOVAL and later, CANOG officers responsible for operations in this area. Our initial coordination was largely centered on the DITTAG installation and primarily in the direction of monitoring activities rather than with a view toward engaging in a joint effort. At COS's direction, we are gradually tending more and more to pool assets and work together with both CANOG and ODOVAL against both East Bloc offices here.

Priority II Activity

a) Targets of Opportunity

Coverage of operational potential of this type is primarily afforded by informal contacts which have been built up on the basis of GHSKIN cover activity. These have been noted in Attachments A and B to this dispatch. Other leads are supplied to some extent by sifting overt material published legally and through suggestions or reports from already recruited agents.

b) Special coverage on behalf of ODAID at the direction of Chief of Station, Austria, is provided primarily by GHSKIN and GHSKIN in the field of local and national reporting. We feel that reporting on the South Tiroi problem is being adequately provided by GREENSHANE-6. Our informal contacts (see Attachments A and B) are also of some use in this direction.

c) Since the cancellation of GEDANYX-1 and -2, we have no sound support assets for SOE or Chief of Station, Austria.

d) Other -

We have a good press asset in GHSKIN and a possibility of developing others as needed from among our informal contacts in this field.

The Salzburg Seminar is being closely watched as a possible mechanism for future cover needs as well as for possible East Bloc contacts. This activity provides a continuing list of candidates for the Headquarters' REACHER Program.

From the local HSEF staff we are able to furnish information on refugees of interest to Chief of Station, Austria, and related items.

e) Establishment and build up of operational and card files has been carried out and is an important factor in backstepping the activities outlined above.

h. Recommendations:

a. As can be easily seen from the foregoing, our principal lack is in the field of support assets. During the next year, or until these have been established, we suggest that no new operational activity be undertaken. Our needs include the following items:

- 1) A surveillance team to cover activities of GEMOYLEY and DITTAG personnel with emphasis on their activities and contacts away from Salzburg.
- 2) Personnel and real

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CONTINUATION OF DISPATCH	CLASSIFICATION <b>SECRET</b> <b>KAPOK</b>	DISPATCH SYMBOL AND NO. <b>KASA-5257</b>
<p>2) Personnel and real estate to set up both an Observation Post and Listening Post against GEMOTLEY.</p> <p>3) As our telephone link with agents via CAMDO has left something to be desired and yet cannot be improved to any great extent, safe Telephone Drops in Salzburg are indicated, perhaps one Austrian and one American.</p> <p>4) Safehouse facilities in Salzburg or vicinity for case officer/agent meetings. In ideal situation would permit us to meet GEMRAIL-2 in one place, GEMFFICE-1 in another (this would probably have to be an American apartment or one unknown to any Austrian), and perhaps a third place of real estate for miscellaneous individuals.</p> <p>5) As GEDPAL has learned, cars with Austrian plates for case officer use in this country are most desirable.</p> <p>6) To furnish leads for the above and to explore possible cover for agents or other personnel, a new survey of Americans in this area should be undertaken along the lines of KASA-5194 dated 11 May 1959. (It is suggested that wherever possible new personnel be recruited for support tasks. Should this prove out of the question, a survey should be made of dropped assets such as the GELAUICH complex or singleton agents like GRAVINETHI-1 to determine their possible usefulness along these lines.)</p> <p>b. The remainder of the tasks outlined in the Attachment to SIN-740 dated 18 February 1961 (which for convenience has been added to this dispatch as Attachment C) should be carried out against GEMOTLEY.</p> <p>c. Every effort should be made to go back over our activities here to date and tidy up the loose operational and administrative ends. The primary items in this direction should include:</p> <ol style="list-style-type: none"> <li>1) Establish definitely the identity of GEMRAIL-2. (His automobile license number might now well be used in carrying this out.) GEMRAIL-2 should also be required to list all files and papers available to him in his official capacity as well as all formal and informal contacts. We can then set about sifting this material for operational leads which we might take over. We can also maneuver him into fields of reporting which will not duplicate the COS take via GRAMBA and which GEMRAIL-2 puts out officially for his own headquarters.</li> <li>2) Renew our efforts to establish the identity of GEMERKAR-6's sources concerning the South Tirol, and in particular, the B&amp;B.</li> <li>3) Push GEMSON more quickly toward becoming a full-time reporting source of information on Austrian political and economic affairs. We should establish the identity of all his contacts in these fields, especially in the OeVP hierarchy. COS may wish to consider having [redacted] talk to him on a one-time basis to further these ends.</li> <li>4) Redirect GEMFFICE-1's efforts so that he will become a full-time support agent rather than primarily a source of unimportant information as heretofore. Here again we should make a continuing effort to establish all avenues open to him for promoting our purposes.</li> </ol> <p>d. A working plan for GEMERKAR should be drawn up for this season, which, it is hoped, can provide almost the final effort in this field, thereby freeing case officer time for other projects in the future.</p> <p>e. A greater effort should be made to build up informal contacts in line so that our sifting of operational prospects and possibilities in that area will equal our present coverage in Salzburg.</p> <p>f. We have found that</p>		
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<p>f. We have found that the use of formal and informal memoranda (RASK's and SIM's) has been extremely useful. At the same time, an item considered of little importance when reported, has at times turned out to be of interest to Headquarters. To correct this and provide Headquarters with better reporting, we suggest that a monthly or bimonthly status report be submitted from SOB, summing up Base' activity and bringing attention to the status of various actions requested of or by SOB.</p> <p>g. It is suggested that the activities of Identity 11 and 12 be investigated to determine their possible operational usefulness to KIBANE.</p> <p style="text-align: center;">T                      3</p>		
<p>Attachments: A. Identities 1 thru 61 U/S/C          B. Remarks on Identities H/W          C. SIM-740 H/W for EE</p> <p>Distributions:          2 - Vienna w/Atts.          2 - EE w/Atts.</p>		
<p style="text-align: center;"><b>KAPOK</b></p>		
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